

CHAPTER 265

APPROPRIATIONS FOR CLAIMS AGAINST THE STATE

H.F. 712

AN ACT making appropriations from the road use tax fund of the state and the general fund of the state to certain persons in settlement of claims made against the state of Iowa.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. There is appropriated from the road use tax fund of the state to the following person the amount set opposite the person's name in full settlement of all claims which the person has against the state of Iowa:

<u>Claimant's</u> <u>Name</u>	<u>Claim No.</u>	<u>Nature</u> <u>of Claim</u>	<u>Amount</u>
William Devine Merville, Iowa	G90-0851	Registration fee refund	\$144.00

Sec. 2. There is appropriated from the general fund of the state to the following person the amount set opposite the person's name in full settlement of all claims which the person has against the state of Iowa:

<u>Claimant's</u> <u>Name</u>	<u>Claim No.</u>	<u>Nature</u> <u>of Claim</u>	<u>Amount</u>
Pak-A-Way Container Service Burlington, Iowa	G90-1445	Excessive weight citation reim- bursement	\$581.20

Sec. 3. The general assembly disapproves of all other claims submitted and considered by the joint appropriations subcommittee on claims as of April 4, 1991.

Approved May 29, 1991

CHAPTER 266

COMPENSATION FOR PUBLIC OFFICIALS AND EMPLOYEES

S.F. 548

AN ACT relating to the compensation and benefits for public officials and employees by specifying salary rates and ranges, by providing adjustments for salaries, and making appropriations, and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

**Section 1.*

1. The salary rates specified in this section are effective for the fiscal year beginning July 1, 1991, and for subsequent fiscal years until otherwise provided by the general assembly. The salaries provided for in this section shall be paid from funds appropriated to the department or agency specified in this section pursuant to an Act of the general assembly or if the appropriation is not sufficient, from the salary adjustment fund.

2. The following annual salary rates shall be paid to the person holding the position indicated:

a. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP Salary for the secretary of agriculture:	\$ 60,000
b. DEPARTMENT OF JUSTICE Salary for the attorney general:	\$ 73,600

*Item veto; see message at end of the Act

<i>c. OFFICE OF THE AUDITOR OF STATE</i>	
Salary for the auditor of state:	
.....	\$ 60,000
<i>d. OFFICE OF THE SECRETARY OF STATE</i>	
Salary for the secretary of state:	
.....	\$ 60,000
<i>e. OFFICE OF THE TREASURER OF STATE</i>	
Salary for the treasurer of state:	
.....	\$ 60,000
<i>f. OFFICE OF THE GOVERNOR</i>	
Salary for the governor:	
.....	\$ 76,700
<i>g. OFFICE OF THE LIEUTENANT GOVERNOR</i>	
Salary for the lieutenant governor:	
.....	\$ 60,000*

***Sec. 2.**

1. The salary rates specified in this section are effective for the fiscal year beginning July 1, 1991, and for subsequent fiscal years until otherwise provided by the general assembly. The salaries provided for in this section shall be paid from funds appropriated to the department or the agency specified in this section pursuant to an Act of the general assembly or if the appropriation is not sufficient, from the salary adjustment fund.

2. The following annual salary rates shall be paid to the persons holding the positions indicated:

<i>a. Chief justice of the supreme court:</i>	
.....	\$ 89,000
<i>b. Each justice of the supreme court:</i>	
.....	\$ 85,700
<i>c. Chief judge of the court of appeals:</i>	
.....	\$ 85,600
<i>d. Each associate judge of the court of appeals:</i>	
.....	\$ 82,400
<i>e. Each chief judge of a judicial district:</i>	
.....	\$ 81,500
<i>f. Each district judge except the chief judge of a judicial district:</i>	
.....	\$ 78,300
<i>g. Each district associate judge:</i>	
.....	\$ 68,300
<i>h. Each judicial magistrate:</i>	
.....	\$ 17,200*

***Sec. 3.** Persons receiving the salary rates established under sections 1 and 2 of this Act shall not receive any additional salary adjustments provided by this Act.*

***Sec. 4.** The governor shall establish a salary for appointed nonelected persons in the executive branch of state government holding a position enumerated in section 5 of this Act within the range provided by considering, among other items, the experience of the individual in the position, changes in the duties of the position, the incumbent's performance of assigned duties, the availability of qualified candidates for the position, and subordinates' salaries. However, a salary established under this section shall not exceed the person's annual salary rate for the preceding fiscal year.

The governor, in establishing salaries as provided in section 5 of this Act, shall take into consideration other employee benefits which may be provided for an individual including, but not limited to, housing.

A person whose salary is established pursuant to section 5 of this Act and who is a full-time permanent employee of the state shall not receive any other remuneration from the state or

*Item veto; see message at end of the Act

from any other source for the performance of that person's duties unless the additional remuneration is first approved by the governor or authorized by law. However, this provision does not exclude necessary travel and expenses incurred in the performance of duties or fringe benefits normally provided to employees of the state.*

*Sec. 5. The following annual salary ranges are effective for the positions specified in this section for the fiscal year beginning July 1, 1991, and for subsequent fiscal years until otherwise provided by the general assembly. The governor shall determine the salary to be paid to the person indicated at a rate within the salary ranges indicated from funds appropriated by the general assembly for that purpose.

1. The following salary ranges are effective for the fiscal year beginning July 1, 1991, and as otherwise provided in this section:

	<u>Minimum</u>	<u>Maximum</u>
a. Range 1	\$ 7,500	\$ 22,700
b. Range 2	\$ 27,300	\$ 45,400
c. Range 3	\$ 37,500	\$ 53,000
d. Range 4	\$ 45,400	\$ 60,700
e. Range 5	\$ 53,000	\$ 68,300

2. The following are range 1 positions: There are no range 1 positions as of the fiscal year beginning July 1, 1991.

3. The following are range 2 positions: administrator of the criminal and juvenile justice planning division of the department of human rights, administrator of the arts division of the department of cultural affairs, administrators of the division of persons with disabilities, the division on the status of women, the division on the status of blacks, the division of deaf services, the division of Latino affairs, administrator of the division of professional licensing and regulation of the department of commerce, and administrators of the division of disaster services and the division of veterans affairs of the department of public defense.

4. The following are range 3 positions: administrator of the library division of the department of cultural affairs, administrator of the division of community action agencies of the department of human rights, and chairperson and members of the employment appeals board of the department of inspections and appeals.

5. The following are range 4 positions: superintendent of banking, superintendent of credit unions, superintendent of savings and loan associations, administrator of the alcoholic beverages division of the department of commerce, state public defender, and chairperson and members of the board of parole.

6. The following are range 5 positions: chairperson and members of the utilities board, consumer advocate, job service commissioner, labor commissioner, industrial commissioner, insurance commissioner, administrators of the historical division and the public broadcasting division of the department of cultural affairs, and administrator of the racing and gaming commission of the department of inspections and appeals, and secretary of the state fair board.

7. The following salary ranges are effective for the fiscal year beginning July 1, 1991, and as otherwise provided in this section:

DEPARTMENT DIRECTORS' SALARIES

	<u>Minimum</u>	<u>Maximum</u>
a. Range 6	\$ 41,000	\$ 55,000
b. Range 7	\$ 56,100	\$ 68,800
c. Range 8	\$ 60,100	\$ 80,000
d. Range 9	\$ 67,100	\$ 95,100

8. The following are range 6 positions: department director of the department of human rights, director of the Iowa state civil rights commission, executive director of the college student aid commission, director of the law enforcement academy, director of the department for the blind, and executive secretary of the campaign finance disclosure commission.

*Item veto; see message at end of the Act

9. The following are range 7 positions: director of the department of cultural affairs, director of the department of personnel, director of the Iowa department of public health, director of the department of elder affairs, commissioner of public safety, director of the department of general services, director of the department of commerce, and director of the department of inspections and appeals.

10. The following are range 8 positions: director of revenue and finance, director of the department of natural resources, director of the department of corrections, the state court administrator, director of the department of employment services, director of the department of management, and executive director of the Iowa finance authority.

11. The following are range 9 positions: director of the department of education, director of the department of human services, director of the department of economic development, executive director of the state board of regents, director of the state department of transportation, and lottery commissioner.*

*Sec. 6.

1. The salary rates specified in this section are effective for the fiscal year beginning July 1, 1991, and for subsequent fiscal years until otherwise provided by the general assembly. The salaries provided for in this section shall be paid from funds appropriated to the department or agency specified in this section.

2. The following annual salary rates shall be paid to the persons holding the positions indicated:

a. Chairperson of the public employment relations board:		
.....	\$	53,000
b. Two members of the public employment relations board:		
.....	\$	49,200*

Sec. 7. The annual salary rates or ranges provided in sections 1, 2, 5, and 6 of this Act become effective for the fiscal year beginning July 1, 1991, with the pay period beginning June 21, 1991.

*Sec. 8. There is appropriated from the general fund of the state to the salary adjustment fund for distribution by the department of management to the various state departments, boards, commissions, councils, and agencies the following amount, \$23,441,434, or so much thereof as may be necessary, to fund the following annual pay adjustments, expense reimbursements, and related benefits:

1. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the blue collar bargaining unit.
2. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the state police officers council bargaining unit.
3. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the security bargaining unit.
4. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the technical bargaining unit.
5. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional fiscal and staff bargaining unit.
6. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the clerical bargaining unit.
7. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the Iowa united professionals bargaining unit.
8. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the community-based corrections bargaining unit.
9. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the judicial branch of government bargaining unit.
10. The annual pay adjustments, related benefits, and expense reimbursements referred to in sections 9 and 10 of this Act for employees not covered by a collective bargaining agreement.*

*Item veto; see message at end of the Act

Sec. 9.

1. All pay plans provided for in section 19A.9, subsection 2, as they exist for the fiscal year ending June 30, 1991, shall be increased for employees who are not included in a bargaining unit under chapter 20 and who are not otherwise specified in this Act, by not less than nor more than 2 percent for the fiscal year beginning July 1, 1991, effective with the pay period beginning June 21, 1991. The department of personnel shall revise the pay plans as provided under section 19A.9, subsection 2, by increasing the salary levels for the various grades and steps within the respective plans. Employees shall not receive merit increases or the equivalent of a merit increase.

*2. The pay plans for state employees who are exempt from chapter 19A and who are included in the department of revenue and finance's centralized payroll system, and the board office employees of the state board of regents, shall be increased by the same percent and in the same manner as provided in subsection 1.

3. This section does not apply to members of the general assembly, board members, commission members, salaries of persons set by the general assembly pursuant to this Act, or set by the governor, employees designated under section 19A.3, subsection 5, and employees under the state board of regents, but subsection 2 does apply to office employees of the state board of regents.

4. The policies for implementation of this section shall be approved by the governor.*

Sec. 10. STATE BOARD OF REGENTS' SALARIES AND BENEFITS. *The funds allocated to the state board of regents for the purpose of providing increases for employees under the state board of regents' merit system who are not included in the collective bargaining agreement made final under chapter 20, except board office employees, shall be used to increase the state board of regents' merit system pay plans as they exist for the fiscal year beginning July 1, 1991, and ending June 30, 1992, by increasing the salary levels for each grade and step within the plans by 2 percent for the fiscal year beginning July 1, 1991.* The employees shall not receive merit increases or the equivalent of a merit increase.

*Sec. 11. Of the funds appropriated in section 8 of this Act, the following amount, or so much thereof as may be necessary, shall be allocated to fund increases in the judges' and magistrates' salaries and related benefits as otherwise provided by law and for the state's contribution to the judicial retirement system provided for in chapter 602 required because of the increased salaries:

..... \$ 324,308*

*Sec. 12.

1. There is appropriated from the road use tax fund to the salary adjustment fund for the fiscal year beginning July 1, 1991, and ending June 30, 1992, the following amount, or so much thereof as may be necessary, to be used for the purposes designated:

To supplement other funds appropriated by the general assembly:

..... \$ 979,696

2. There is appropriated from the primary road fund to the salary adjustment fund, for the fiscal year beginning July 1, 1991, and ending June 30, 1992, the following amount, or so much thereof as may be necessary, to be used for the purposes designated:

To supplement other funds appropriated by the general assembly:

..... \$ 2,423,428

3. Except as otherwise provided in this Act, the amounts appropriated in subsections 1 and 2 shall be used to fund the annual pay adjustments, expense reimbursement, and related benefits for public officials and employees as provided for in this Act.*

*Sec. 13. Of the funds appropriated in section 8 of this Act, the following amount, or so much thereof as may be necessary, shall be allocated to the following agencies or programs listed:

Regional libraries:

..... \$ 18,000

*Item veto; see message at end of the Act

*The funds shall be allocated by the department of management. The funds received by local programs under this section shall be used to pay the state's share of the authorized salary increases for local program employees.**

Sec. 14. To departmental revolving, trust, or special funds, except for the primary road fund or the road use tax fund, for which the general assembly has established an operating budget, a supplemental expenditure authorization is provided, unless otherwise provided, in an amount necessary to fund salary adjustments as otherwise provided in this Act.

Sec. 15. All funds appropriated to the salary adjustment fund for the state department of transportation and for state agencies paid through the department of revenue and finance's centralized payroll system shall be used to fund salary and fringe benefit expenditures for the fiscal year beginning July 1, 1991, and ending June 30, 1992.

Sec. 16. Funds appropriated from the general fund of the state in this Act relate only to salaries supported from general fund appropriations of the state.

Sec. 17. All federal grants to and the federal receipts of the agencies affected by this Act which are received and may be expended for purposes of this Act are appropriated for those purposes and as set forth in the federal grants or receipts.

Sec. 18. There is appropriated from the health insurance reserve fund to the general fund of the state, on or before June 30, 1992, the following amount:

..... \$ 6,000,000

The portion of the transferred funds which reflects the employee's contribution and the interest that may be earned on that contribution shall be applied to pay claims and to reduce the employee's share of health insurance premiums incurred after July 31, 1992, and before July 30, 1993. It is the intent of this provision to ensure that the employee will suffer no diminution of property or benefit.

Sec. 19. There is appropriated from the health insurance reserve fund to the general fund of the state, on or before June 30, 1991, the following amount:

..... \$ 6,000,000

**Sec. 20. COMPENSATION AND BENEFITS STUDY. The director of the department of personnel, the director of the legislative service bureau, and the executive director of the state board of regents, or a designee of each director, shall conduct a study to determine the impact of the salary adjustment provisions in this Act and the changes in salary relationships as a result of the implementation of this Act, and to identify issues of concern and compensation equity. The committee shall meet at the call of the director of the legislative service bureau who shall serve as temporary chairperson.*

*The committee shall complete its study and report its findings and recommendations to the general assembly by February 1, 1992.**

Sec. 21. Section 99D.5, subsection 4, Code 1991, is amended to read as follows:

4. Commission members are each entitled to receive an annual salary of six thousand dollars. Members shall also be reimbursed for actual expenses incurred in the performance of their duties to a maximum of six thirty thousand dollars per year for each member the commission. Each member shall post a bond in the amount of ten thousand dollars, with sureties to be approved by the governor, to guarantee the proper handling and accounting of moneys and other properties required in the administration of this chapter. The premiums on the bonds shall be paid as other expenses of the commission.

Sec. 22. EFFECTIVE DATES. This section and section 19 of this Act, being deemed of immediate importance, take effect upon enactment.

Approved May 31, 1991, except the items which I hereby disapprove and which are designated as Sections 1,2,3,4,5,6,7, and 8 in their entireties; that portion of Section 9, subsection 1 which is herein bracketed in ink and initialed by me; Section 9, subsections 2, 3, and 4 in

*Item veto; see message at end of the Act

their entirety; that portion of Section 10 which is herein bracketed in ink and initialed by me; Sections 11, 12, 13, 14, 15, 16, and 17 in their entireties; and Section 20 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the Secretary of State this same date a copy of which is attached hereto.

TERRY E. BRANSTAD, *Governor*

Dear Madam Secretary:

I hereby transmit Senate File 548, an Act relating to the compensation and benefits for public officials and employees by specifying salary rates and ranges, by providing adjustments for salaries, and making appropriations, and providing effective dates.

Senate File 548 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the items designated as Sections 1, 2, 3, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, and 20 in their entirety; the designated portion of Section 9, subsection 1; Section 9, subsections 2, 3 and 4 in their entirety; and the designated portion of Section 10.

Section 8 would provide for wage increases for contract-covered state employees in variable amounts, ranging from two percent to nine percent, at a cost to the state of \$23.4 million in general funds. Sections 2, 9 and 10 would provide for a two percent increase for most non-contract covered state employees. By vetoing these sections, state employee salaries for the next fiscal year will be frozen, and \$34 million of spending on salaries that we cannot afford will be avoided.

Approval of these sections would conflict with existing statutory and Constitutional responsibilities to balance the budget and to adhere to any statutory limitations on the state's funds and spending. Further, these sections would conflict with the state's statutory responsibility to maintain the orderly and efficient operation of governmental services. And, finally, the implementation of these sections would not allow for the continuance of pay equity based upon principles of comparable worth (Iowa Constitution and Iowa Code Sections 8.3(3), 20.7(4) and 79.18, respectively).

With legislative action just completed, Iowa is already facing a known deficit of at least \$75 million for the fiscal year covered by the proposed wage increases. As Governor, it is my responsibility to make the difficult decisions necessary to balance the budget in a way that avoids major disruptions in service. Clearly, \$23.4 million for salary increases, particularly when paired with the \$10.6 million for salary increases contained in House File 479 for employees of the Board of Regents, is far beyond what the state can afford under these difficult fiscal circumstances. In fact, even after making a substantial amount of cuts through item veto, further reductions in spending will be necessary to assure a balanced budget. Thus, I have indicated my intentions to make an across-the-board cut in spending in fiscal year 1992.

Implementation of the arbitrators' decisions, without the corresponding appropriation, would likewise result in a violation of existing statutory provisions providing for the efficient and orderly provision of governmental services (Iowa Code Section 20.7(4)). In order to maintain pay equity for state employees if the arbitrators' awards are implemented, layoffs of the magnitude required to fund the wage increases provided for in Senate File 548 would significantly impair the state's ability to provide the level of services necessary to meet its statutory duties and responsibilities. In fiscal year 1992, implementation would result in over 1,500 layoffs of state employees. That number increases to over an additional 1,900 layoffs in fiscal year 1993 if the across-the-board wage increases suggested by the arbitrators were implemented.

It is important to note that the state's collective bargaining law mandates that when terms of a proposed collective bargaining agreement are inconsistent with other Code provisions,

I am bound to adhere to existing statutes unless action is taken to remove the conflict (Iowa Code Section 20.28). In other words, an arbitrator's decision is final only insofar as it can be implemented without statutory conflict (Iowa Code Sections 20.22(3) and 20.17(6)). The arbitrators' decisions funded by Senate File 548 simply cannot be implemented without violating Iowa law.

Since the issuance of the arbitrators' awards, there has been a significant change of circumstance. The arbitrators' awards were premised on estimated revenue growths of a 6.1 percent increase for fiscal year 1992 and a 5 percent increase for fiscal year 1993. Those estimates have been revised downward twice by the Revenue Estimating Conference since the awards were issued resulting in a total reduction in projected revenues of over \$125 million. For this reason and because the implementation of the arbitrators' awards is inconsistent with statutory limitations on the state's funds, spending and budget, and because the implementation would substantially impair and limit the performance of our statutory duties, I have proposed that the state and the unions go back to the bargaining table and renegotiate the wage provisions for the 1991-93 labor agreements. To date, the unions have verbally declined my offer.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 548 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*

CHAPTER 267

STATE GOVERNMENT APPROPRIATIONS AND OTHER PROVISIONS RELATING TO STATE FINANCES

H.F. 479

AN ACT relating to appropriations for state departments, agencies, programs, funds, including the department of human services, education programs and agencies, the department of economic development, justice-related programs and agencies, and INTERNET, and adjusting the school foundation aid program, adjusting certain standing appropriations, increasing the cigarette and tobacco products tax, providing for certain fees, decreasing the time period for declaring certain funds unclaimed, making relating statutory changes, and providing for effective and applicability dates.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I DEPARTMENT OF HUMAN SERVICES

Sec. 101. **AID TO FAMILIES WITH DEPENDENT CHILDREN.** There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1991, and ending June 30, 1992, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For aid to families with dependent children:

..... \$ 41,624,199

1. The department may fund the employee portion of the cash bonus program from unspent funds under the appropriation in this section and shall continue to evaluate the program. The department may adopt emergency rules to implement the provisions of this subsection.

2. As a condition, limitation, and qualification of the funds appropriated in this section, the department shall continue to contract for services in developing and monitoring a demonstration waiver program to facilitate providing assistance in self-employment investment to aid to dependent children families. The demonstration waiver program shall be provided for the fiscal period beginning July 1, 1991, and ending June 30, 1993, or for as long as federal approval